

Message Text

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17

ACTION EA-14

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NSAE-00 RSC-01 SIL-01 DOTE-00 FAA-00 OC-06 CCO-00

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 1193

INFO COMUSJAPAN FUCHU JAPAN

LIMITED OFFICIAL USE TOKYO 4763

E.O. 11652: NA

TAGS: ELAB JA

SUBJ: LABOR'S SPRING OFFENSIVE REACHES CLIMAX

SUMMARY: JAPANESE COMPANIES AND UNIONS IN THE PRIVATE SECTOR ARE RAPIDLY AGREEING TO RECORD WAGE SETTLEMENTS, BUT THE TRANSPORTATION GENERAL STRIKE SCHEDULED TO BEGIN ON APRIL 11 APPEARS UNAVOIDABLE. END SUMMARY.

1. LED BY STEEL COMPANIES' PROPOSED MONTHLY WAGE RAISE OF YEN 27,500 (ABOUT 28 PERCENT), JAPANESE FIRMS IN MAJOR ECONOMIC SECTORS ARE OFFERING RECORD PAY BOOSTS TO THEIR WORKERS. MOST UNIONS ARE ACCEPTING THESE OFFERS AFTER ONLY PRO-FORMA HESITATION, AND SEVERAL PLANNED STRIKES IN THE PRIVATE SECTOR HAVE BEEN CANCELLED.

2. HOWEVER, THE ISSUES INVOLVED IN THE PLANNED WALKOUT BY SOHYO MEMBERS IN NATIONAL AND PRIVATE RAILROADS AND OTHER PUBLIC SECTOR ENTERPRISES HAVE YET TO BE RESOLVED, AND SLOWDOWNS AND SPOT STRIKES HAVE ALREADY BEGUN. IT NOW APPEARS ALMOST CERTAIN THAT THE SCHEDULED 48-HOUR WALKOUT WILL BEGIN ON THE MORNING OF APRIL 11, ESSENTIALLY PARALYZING RAIL TRANSPORTATION WITHIN JAPAN AND ALSO AFFECTING LAND AND AIR TRAVEL, TELECOMMUNICATIONS AND POSTAL SERVICE. OUTSTANDING ISSUES ARE:

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A. WAGES: JNR WAGE INCREASES ARE TIED TO WAGES AGREED UPON BY PRIVATE RAILROADS AND THEIR UNIONS. PRIVATE RAILROADS OFFERED INCREASES AVERAGING 19 PERCENT WHICH THE UNIONS IMMEDIATELY REJECTED, AND THE ISSUE WENT TO MEDIATION ON APR 8. MANAGEMENT REFUSES, HOWEVER, TO MAKE SECOND WAGE OFFER UNTIL THE GOJ INDICATES THAT IT WILL AGREE TO AUTHORIZE HIKE OF RAILROAD FARES, SO THERE HAS BEEN NO PROGRESS. THE GOJ HAS SAID THAT IT WILL CONSIDER A RATE HIKE AFTER THE BUDGET PASSES THE UPPER HOUSE (EXPECTED EVENING OF APR 10). MOST OBSERVERS BELIEVE THAT GOJ WILL AUTHORIZE FARE INCREASE, CLEARING WAY FOR WAGE INCREASES NOT ONLY FOR PRIVATE RR WORKERS BUT FOR JNR AND PUBLIC SECTOR EMPLOYEES AS A WHOLE.

B. INFLATION ALLOWANCE FOR LOW INCOME GROUPS. SOHYO HAS REDUCED ITS DEMAND FROM YEN 20,000 TO YEN 6,000 BUT THE GOJ HAS AGREED TO PAY ONLY YEN 2,000 TO LOW INCOME FAMILIES AS PARTIAL COMPENSATION FOR THE EFFECTS OF INFLATION. THIS PROBLEM IS NOT EXPECTED TO HOLD UP A SETTLEMENT ONCE AGREEMENT ON OTHER ISSUES IS REACHED.

C. STRIKE RIGHT FOR PUBLIC SECTOR EMPLOYEES. THERE HAS BEEN NO PUBLIC MOVEMENT ON THIS ISSUE, BUT THERE ARE REPORTS THAT GOJ IS PREPARED RECOMMEND THAT A COMMITTEE OF GOVT EXPERTS BE FORMED TO MAKE A BINDING RECOMMENDATION WITHIN ONE YEAR. SUCH A SUGGESTION WOULD PROBABLY SATISFY SOHYO'S DEMAND THAT THE GOJ DISPLAY A "FOREWARD LOOKING ATTITUDE" ON THE ISSUE.

3. THE BALL IS CLEARLY IN THE GOVERNMENT'S COURT. ONCE THE BUDGET PASSES THE UPPER HOUSE, THE GOJ IS EXPECTED TO MAKE A MAJOR ELEVENTH HOUR EFFORT TO AVERT THE STRIKE, INCLUDING A POSSIBLE SUMMIT MEETING BETWEEN TANAKA AND UNION LEADERS. THE COMPLEXITY OF THE ISSUES TO BE RESOLVED, THE MOMENTUM BUILT UP THUS FAR, AND STRONG RANK AND FILE PRESSURE FOR A WALKOUT MAKE IT HIGHLY UNLIKELY THAT THE STRIKE CAN BE AVOIDED, ALTHOUGH POSSIBILITY REMAINS THAT IT WILL NOT RUN ITS FULL COURSE. EDMOND

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Message Attributes

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